



**Northeast  
Utilities System**

107 Selden Street, Berlin, CT 06037

Northeast Utilities Service Company  
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Hartford, CT 06141-0270  
(860) 665-5000

May 27, 2004

Ms. Mary L. Cottrell  
Dept. of Telecommunications & Energy  
One South Station  
Boston, MA. 02110

Re: Docket No. 03-88-F – Default Service Costs

Dear Ms. Cottrell:

This letter provides the response to requests for the information listed below.

With this filing, the Company has completed responding to all of the interrogatories requested during this proceeding.

Responses to DTE-03 Interrogatories dated 05/17/2004  
DTE3 – 001, 002

Very truly yours,

*Stephen Klionsky (jms)*

Stephen Klionsky

SK/tms  
cc: Service List

Western Massachusetts Electric Company  
Docket No. DTE 03-88-F

Information Request DTE-03  
Dated: 05/17/2004  
Q-DTE3-001  
Page 1 of 2

Witness: Edward A. Davis  
Request from: Department of Telecommunications and Energy

**Question:**

Refer to the Company's response to Information Request DTE 1-1. Please describe step-by-step how WMECo derived its annual bad debt amount of \$948,041, using the Company's customer information system. Provide all worksheets, calculations, and assumptions to support each step.

**Response:**

As mentioned in its response to DTE 03-88F, IR DTE-01, Q-DTE01-001, the Company does not record bad debt specifically by service type, however, the Company used the actual customer write-offs by account and service type for 2003 which are tracked, as part of its customer information system. The \$948,041 was the actual default service write-offs for the 12 month period ending 12/31/2003 as of the date of the customer information system report and was considered to be the equivalent to the bad debt expense on the Company's book of accounts associated with default service customers. Below is a further explanation of how the \$948,041 was derived.

WMECO's customer information system includes a number of items related to each customer's account. The items included in a customer's account have computer codes associated with the information that WMECO includes in each customer account. Two such computer codes included in each customer account are 1) the type of service a customer receives and 2) whether the customer's account has been classified as a write-off. These specific codes are identified by a computer analyst who can then write a computer program query searching for this data. The data is downloaded onto a report by customer account which is then analyzed and summarized. Because the customer account data is confidential a summary of this data is shown on page 2.

Western Massachusetts Electric Company  
Docket No. DTE 03-88-F

Information Request DTE-03  
Dated: 05/17/2004  
Q-DTE3-002  
Page 1 of 3

**Witness:** Edward A. Davis  
**Request from:** Department of Telecommunications and Energy

**Question:**

Please provide the total amount of bad debt recorded by the Company for the twelve-month period ended December 31, 2003. In addition, indicate what percentage of total debt is associated with customers being billed under default service.

**Response:**

Page 2 attached shows WMECO's 2003 total bad debt write-offs on the Company's book of accounts allocated to default service based on the percent of default service write-offs to total write-offs as reported by the customer information system. The difference in the total bad debt written-off as reported through the customer information system and the Company's book of accounts is due to additional customer account adjustments for payments against write-offs and the identification of additional bad debt accounts after the customer information system report was generated. As mentioned in DTE 03-88F, IR DTE-01, Q-DTE01-001 and IR DTE-03, Q-DTE03-001, the Company does not record bad debt on its book of accounts specifically by customer service type, however, the Company specifically tracks write-offs by service type through its customer information system. Page 3 attached shows the calculation of the default service write-off percentage of the total WMECO write-offs for the period 12/31/2003 per the customer information system.

The 2003 total bad debt amounts per the Company's book of accounts shown on page 2 were also provided in response to IR AG-01, Q-AG01-001.